

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
January 21, 2016

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, January 21, 2016, at 3:15 p.m. on the second floor of the Fire Department Administrative Building at 204 S. First Street, Rockford, Illinois, pursuant to notice.

CALL TO ORDER

The meeting was called to order at 3:15 p.m. Upon a call of the roll, the following answered:

ATTENDED:	Alan Granite, President	Brian Carlson, Secretary
	Tracy Renfro, Trustee	Chris Black, Trustee/City Finance Director

ABSENT: Michael White, Trustee

STAFF: Linda Wlaznik, Pension Investment Accountant Judi Yehling, Recording Secretary

GUESTS: Attorney Clifford, Ottosen Britz Mike Piotrowski, Marquette Associates

I. PUBLIC COMMENT -- None

II. MINUTES

- The December 17, 2015, minutes of the regular meeting were presented. Tracy Renfro made a motion to approve the minutes as presented and Brian Carlson seconded the motion. Upon a voice vote, the motion passed.

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

- Linda Wlaznik presented to the Board changes to the pensions of three retired exempt employees who retired after January 1, 2015 – Vardman (Bud) Turner II, Benjamin Ognibene and Gregory Castronovo. The pension adjustments were due to the 2% COLA increase granted by City Council to all exempt employees and they were retroactive to January 1, 2015. A motion was made by Alan Granite and seconded by Brian Carlson to approve the 2% COLA increase granted by City Council retroactive to January 1, 2015, for the three aforementioned individuals as presented. A roll call vote was taken:

Ayes:	Alan Granite	Brian Carlson
	Chris Black	Tracy Renfro
Nays:	None	
Absent:	Michael White	

- Annual raises for 2016 in the amount of \$31,691.48 were presented to the Board on a spreadsheet. Brian Carlson made a motion, seconded by Tracy Renfro, to approve the annual increases as presented. A roll call vote was taken:

Ayes:	Alan Granite	Brian Carlson
	Chris Black	Tracy Renfro
Nays:	None	
Absent:	Michael White	

- The following individuals are due for their first increase upon reaching the age of 60 when on a duty disability pension:

Name	Monthly Increase	As of:
Barry Fitz	\$213.99	1-1-16
Richard Glawe	\$1,179.77	1-1-16

Alan Granite made a motion, seconded by Chris Black, to approve the pension increase for Barry Fitz as shown above. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
Chris Black Tracy Renfro
Nays: None
Absent: Michael White

Brian Carlson made a motion, seconded by Tracy Renfro, to approve the pension increase for Richard Glawe as shown above. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
Chris Black Tracy Renfro
Nays: None
Absent: Michael White

IV. DISBURSEMENTS

- Alan Granite made a motion to approve the January payroll of \$1,390,236.58. Tracy Renfro seconded the motion. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
Chris Black Tracy Renfro
Nays: None
Absent: Michael White

- Invoices totaling \$23,851.77 as shown in the warrant packet were presented. A motion was made by Chris Black, and seconded by Brian Carlson, to pay the invoices as presented in the warrant packet. A roll call vote was then taken:

Ayes: Alan Granite Brian Carlson
Chris Black Tracy Renfro
Nays: None
Absent: Michael White

V. CASH & INVESTMENTS

- Mike Piotrowski presented Marquette Associates' Flash Report as of December 31, 2015:
 - Mike discussed the economy in general saying that the world economy is slowing. China, the world's second largest economy, is slowing significantly, and Europe is dealing with a number of growth issues. There is less demand for services, less demand for oil and more oil coming to market, but Marquette feels that things "aren't as bad as CNBC makes it sound."

- The markets were basically flat last year. The S&P is down 8% and international market was down about 10%. But the S&P is up 300% since 2009 and up 70% since the last market high in 2007. The market will probably come back but we'll probably go through a period of high volatility.
- To recap the plan year, "it was extremely challenging." Currently the Fund is at \$147.6 million and the Fund was rebalanced by taking the \$2 million from real estate and is currently in compliance.
- December was very challenging (see page 4); the total Fund composite was -1.2% for the month. For the fiscal year there was a 0% return but the Fund did outperform the benchmark – "no one got there this year." This puts a lot of pressure on the actuarial report and the City. The only way anybody would have gotten to their assumed rate of return would be to have been 100% in real estate which, of course, can't be done.
- Bonds were up 1% but the broad market was up less than 1%. However, the 10-year number is 5.8%. This was a tough year and a tough start to the year.
- This Fund is "kind of in the middle of the road." Those plans with less exposure to international stocks did a little bit better, but for the future Marquette thinks international will be a better place to be.
- Real estate market is pretty good but Mike Piotrowski thinks that the appreciation will slow down. He thinks a 6-8% return from real estate this year would be more realistic rather than the 10-12% return that we've seen.
- The managers are kind of a "mixed bag." The value and small cap managers did poorly; Fiduciary is down 5.5% but Manning & Napier is doing much better in January. The small cap fund had an 8% return. The international and emerging markets though hurt the Fund.
- Mike Piotrowski thinks the Fund still has a good mix of managers – "nothing is broken."
- On the international side, they can put DFA on alert along with Manning & Napier and PIMCO which is probably a "prudent" move.
- Mike Piotrowski cautioned this is just the *Flash Report*, and next meeting he'll review the quarterly report.
- Cash needs are \$330,000, and the recommendation is to take the money from Segall Bryant which is the most overweight right now. Alan Granite made a motion, seconded by Tracy Renfro, to take \$330,000 from Segall Bryant Fixed Income Fund to cover cash needs. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
 Chris Black Tracy Renfro
Nays: None
Absent: Michael White

- Records of purchases and sales were distributed. Brian Carlson made a motion, seconded by Tracy Renfro, to approve the purchases and sales for the month. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
 Chris Black Tracy Renfro
Nays: None
Absent: Michael White

VI. OLD BUSINESS

- Reporting on Carla Heitter's disability case, Attorney Clifford said that she has received two sets of records turned in from Swedish Hospital and workmen's comp. She's still waiting on the report from the chiropractor whom her office has called at least three times. There is the possibility to call Mr. Duda, Carla's attorney, but the hearing will most likely not happen until March. The IMEs are all chosen but no appointments can be made until all the records are received.
- Reporting on the IME status of those currently receiving disability pensions, Dr. Younger's report for Larry Peterson was received January 19th. Peterson is still disabled and since he was born in 1966, this will be his last year to report. Alan Granite read into the record that Larry Peterson continues to be disabled based on the report received from Dr. Younger.

VII. NEW BUSINESS

- Chris Black provided the Board with a letter outlining the charge for City Services for the year. The current charges were decreased from \$116,800 to \$103,667 for 2016. Although the budget is not yet approved, the revenue manager position will not be filled, and these monies were reallocated creating a decrease in charge for services of \$13,000.
- Updates from Attorney Clifford were:
 - A timeline for the year organized by quarter;
 - the Fire District Conference program for next week;
 - and a handout on "Good Governance" which serves as a good reminder about fiduciary responsibility and duties.

VIII. CLOSED MEETING – None required.

IX. ADJOURNMENT

A motion was made to adjourn the meeting. Motion carried and meeting was adjourned at 3:55 p.m.

Next regular meeting is February 18, 2016, at 3:00 p.m.

Signed:

Prepared by:


 Brian Carlson, Secretary

 Judith Yehling, Recording Secretary

2/18/16
 Date

 Date

Approved by the Board of Trustees at its February 18, 2016, meeting.